

Shell Exploration & Production Company

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Larry W. Wooden
Manager Public Affairs

December 16, 1998

Mr. Todd McCutcheon Chief, Policy & Management Improvement Minerals Management Service U.S. Department of the Interior P. O. Box 25165 - MS 9200 Denver, CO 80225

Dear Mr. McCutcheon:

I am writing on behalf of Shell Oil Company and its subsidiaries and affiliates to express our support for the Minerals Management Service's subsea gathering and transportation initiative described in the notice published in the October 21, 1998 Federal Register. Shell commends the MMS for re-evaluating its position on subsea transportation, for as you know subsea completions are becoming an increasingly important component of industry's deepwater portfolio.

Further to our comments at the November 16, 1998 workshop, Shell endorses the substantive comments submitted by the American Petroleum Institute on this topic. In addition, we strongly encourage the MMS to expeditiously evaluate the factual information provided and to render a decision as soon as possible. We are hopeful that successful resolution of this issue will help to break the log jam and create positive momentum for the resolution of other pending royalty and operational issues.

Let me reiterate Shell's commitment to work with MMS to resolve issues in a constructive and fair fashion. We value the professionalism and dedication of MMS staff, and look forward to working cooperatively with MMS in the future to resolve this and other issues of importance to the offshore petroleum industry.

Sincerely yours,

Jany W. Wooden